

## **SPECIAL PROVISIONS**

### **CONTRACT ADMINISTRATOR**

For purposes of this contract, Mr. Keith Fujio (Special Assistant to the State Librarian) of the Hawaii State Public Library System, Administrative Services Office, is designated Contract Administrator. Mr. Fujio may be contacted at 586-3700.

Accountant V is authorized to act on behalf of Contract Administrator in administering this contract. Phone number for the Accountant V is 586-3636.

### **TERM OF CONTRACT**

Contractor shall enter into a contract for furnishing refuse collection service for a twelve (12) month period, commencing from August 1, 2016 to July 31, 2017.

Unless terminated, contract shall be extended without the necessity of re-bidding, for not more than one (1) additional twelve (12) month period or parts thereof, upon mutual agreement in writing, at least sixty (60) days prior to expiration, provided that the contract price for extended period shall remain the same or lower than the initial bid price or as adjusted in accordance with the CONTRACT PRICE ADJUSTMENT provision therein. Purchase Order will be issued for each year of the contract.

The Contractor or the State may terminate the extended contract at any time upon sixty (60) days prior written notice.

### **SITE INSPECTION**

Prior to submittal of an offer, offers may inspect the location to thoroughly familiarize themselves with existing conditions, and the extent and nature of work to be performed. No additional compensation, subsequent to bid opening, will be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

Offeror inspection is not mandatory; however, submission of an offer shall be evidence that the offeror understands the scope of the project and will comply with specifications herein if awarded the contract. Offerors must contact the Branch Head to arrange for an inspection date and time.

### **OFFER PREPARATION**

**Bid Price.** Bid price shall include labor, equipment, transportation, all applicable taxes and any other costs incurred to provide services specified. Bid price per cubic yard shall be applicable to additional service as requested by HSPLS.

**Labor Costs.** Offeror must indicate on Offer Form the percentage of the bid price per cubic yard that represents labor costs, if applicable. Such information will be used by HSPLS to calculate price adjustments. Failure to include this information shall result in no price adjustment.

**Refuse Collection License.** At time of the offer and throughout the contract period, Contractor must have an active City and County of Honolulu (C&C) Refuse Collection License on file with the C&C License Division. If Contractor fails to keep such license active during the contract period, contract shall be subject to cancellation. Offeror shall provide license number on Offer Form.

**New Locations.** HSPLS reserves the right to add or delete to the contract locations within a district. The addition or deletion of locations shall occur only upon authorization by the Contract Administrator and the addition or reduction of cost per month shall be calculated based on the bid price per cubic yard.

### **STATUTORY REQUIREMENTS OF SECTION 103-55, HAWAII REVISED STATUTES (HRS)**

Offeror shall complete and submit the attached wage certification by which the Offeror certifies that the services required will be performed pursuant to Section 103-55, HRS, as amended.

Offerors are advised that Section 105-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Offerors are further advised that in the event of an increase in wages for public employees performing similar work during the period of the contract, Contractor shall be obliged to provide wages not less than those increased wages.

Contractor shall be further obliged to notify his employees performing worked under this contract of the provisions of Section 103-55, HRS, and of the current wage rates for public employees performing similar work. The contractor may meet this obligation by posting a notice of this effect in the Contractor's place of business in an area accessible to all employees, or the Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

To assist the Offeror in determining whether the work of his/her employees are to perform under this contract is similar to that performed by public employees, attached are class specifications for State positions to perform refuse collection service duties. Effective April 1, 2016, the basic hourly wages paid to these State positions are:

<u>Class</u>	<u>Hourly Rate</u>
Public Facilities Refuse Collection (BC04)	19.24
Refuse Collector (BC05)	20.01
Truck Driver – Laborer (BC-05)	20.01
Refuse Collector (BC-06)	20.81
Truck Driver (BC06)	20.81
Heavy Truck Driver (BC07)	21.65
Refuse Collection Crew Leader (BC09)	24.12

Accordingly, Offeror should consider the aforementioned wage rates when preparing his/her quote.

## **CONTRACT ADJUSTMENT PURSUANT TO SECTION 103-55, HRS**

At the release of the bid solicitation, only the current wages of State employees performing similar work are known. Should their wages increase during any period of the contract, the Contractor may request for increase in contract price. The increase requested must result in increase in wages to the Contractor's employees performing the work herein, including any increase in cost for benefits required by law that are automatically increased as a result of increased wages, such as federal old age benefits, workers' compensation, temporary disability insurance, unemployment insurance, and prepaid public health insurance.

Contractor's request for increase must meet the following criteria:

1. At the time of a request, Contractor must provide documentation to show that he is in compliance with Section 103-55, HRS, i.e., its employees are being paid no less than the known wage of the State position listed herein. Documentation shall include the employees' payroll records and a statement that the employees are being utilized for this contract.
2. At the time of bidding, the Contractor must have specified on the Offer Form, the percentage of the bid price per cubic yard that represents labor costs. If the Contractor fails to specify the percentage, the Contractor's request for increase will not be considered.
3. Request for increase must be made in writing to HSPLS on a timely basis. Request for increase for the contract period must be made as soon as practicable after the State wage agreements are made public. Approved request will be retroactive to the date of increase for the State employee.

If the Contractor meets the above criteria in its request for contract price increase, the following formula shall be used to calculate the increase.

Increase:  $WI = (XY) (Z) + FB$

Whereby, WI = Dollar amount increase in bid price per cubic yard due to increase in State wages;  
X = Original contract price per cubic yard;  
Y = Percentage of bid price cubic yard designated by Contractor as representing labor costs;  
Z = Percentage increase in wages paid to State employees performing similar work;  
FB = Additional costs for those benefits required by statute, directly related to the allowed increase in wages paid to Contractor's employees.

## CONTRACT PRICE ADJUSTMENT DUE TO STATE AND CITY AND COUNTY OF HONOLULU INCREASES

All price increases will be rounded to the nearest cent.

The following definitions apply, where applicable, to the formulas listed below:

- I = Increase in contract price per cubic yard
- A = Current C&C disposal rate at the time of bid opening, \$81.00 per ton, or adjusted subsequent to bid opening;
- B = Increase in the City & County of Honolulu (C&C) disposal rate:
- 12% = Recycling fund surcharge rate at the time of bid opening;
- C = New recycling fund surcharge rate;
- D = Increase in the C&C recycling fund surcharge rate;
- 2000 = Pounds per ton;
- E = 125 pounds per cubic yard; and
- F = Increase in the State's solid waste management surcharge fee, \$0.35 per ton at the time of bid opening.

If, subsequent to bid opening, the following scenarios occur, the formulas listed after each scenario shall apply in calculating the increase in contract price per cubic yard:

1. Increase in C&C disposal rate (no increase in the recycling fund surcharge rate):

$$I = [B + 12\%B] + 2000 \times E$$

For example: The C&C disposal rate increases from \$81.00 to \$83.00, or \$2.00 increase.

$$I = [\$2 + 12\%(\$2)] + 2000 \text{ lbs.} \times 125 \text{ lbs.}$$

2. Increase in recycling fund surcharge rate (no increase in the C&C disposal rate):

$$I = (A \times D) / 2000 \times E$$

For example: The recycling fund surcharge rate increases from 12% to 13% or, 1% increase.

$$I = (81.00 \times 1\%) / 2000 \text{ lbs.} \times 125 \text{ lbs.}$$

3. Increase in both C&C disposal rate and recycling fund surcharge rate:

$$I = [A \times D] + (B \times C) + 2000 \times E$$

For example: The C&C disposal rate increases from \$81.00 to \$83.00, or, \$2 increase. The recycling fund surcharge rate increases from 12% to 13%, or, 1% increase.

$$I = [\$81.00 \times 1\%] + (\$2 \times 13\%) / 2000 \text{ lbs.} \times 125 \text{ lbs.}$$

4. Increase in the State's solid waste management surcharge fee:

$$I = (F / 2000) \times E$$

For example: The solid waste management surcharge fee increases from \$0.35 to \$0.36, or, \$0.01 increase

$$I = (\$0.01 / 2000 \text{ lbs.}) \times 125 \text{ lbs.}$$

## **PRICE ADJUSTMENT BY HSPLS**

### **Change In Number of Pickups or Containers**

The total contract price is based on the maximum amount of refuse to be generated per contract period. Increase or decrease to the number of pickups or containers shall be made only upon written authorization for permanent changes to the current collection schedule. Separate purchase orders shall be issued for instances such as extra pickups, extra bins, excess refuse, etc., not specified herein or not added to the contract.

Additional cost resulting from changes in refuse pickups or the number of refuse bins shall be based on the current contract price per cubic yard.

### **Emergency Calls.**

Contractor agrees to make unscheduled collections, when requested. Such "emergency calls" shall be completed within twenty-four (24) hours after notification. Current contract price per cubic yard will be used as the basis for charges for "emergency calls", provided such charges are modified by mutual agreement between the Contractor and the Contract Administrator at the time of the emergency to account for additional expenses, if any, incident to making a special pickup and/or providing extra containers.

## **RESPONSIBILITY OF LOWEST RESPONSIBLE BIDDER**

Reference Chapter 103D-310(c), HRS. The lowest responsible offer shall submit compliance documents through Hawaii Compliance Express (HCE). If a valid certificate is not submitted within the allotted time period, an offer otherwise responsive and responsible may not receive the award.

### **Compliance Documents:**

- Tax Clearance from the Department of Taxation
- Tax Clearance from the Internal Revenue Service
- Certificate of Compliance issued by the Department of Labor and Industrial Relations.
- Certificate of Good Standing issued by the Department of Commerce and Consumer Affairs Business Registration Division

The HCE allows business to register online through a simple wizard interface at <http://vendors.ehawaii.gov> to acquire a "Certificate of Vendor Compliance." The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of §103D-310(c) HRS shall be accepted for contracting and final payment purposes. Vendors that use the HCE services will be required to pay an annual fee of \$12.00 to the Hawaii Information Consortium LLC.

## **INVOICING**

Contractor shall submit a monthly invoice based upon the average cubic yard per month (see SPECIFICATIONS, under AVERAGE CUBIC YARD) for services rendered to:

Hawaii State Public Library System  
Administrative Services Branch  
44 Merchant Street  
Honolulu, HI 96813

All invoices shall reference the purchase order number assigned to the contract.

HSPLS will deduct any missed pickup(s) from the invoice.

Charges for extra pickups, extra bins, excess refuse, etc., not specified in the Service Schedule or not added to the contract by a contract modification, shall be submitted on a separate invoice. Additional cost resulting from extra pickups, emergency pickups and excess refuse shall be based on the current contract price per cubic yard. As a minimum, invoices shall contain the following information: Name of library that was serviced, date of service, type of service, cubic yards and cost.

## **PAYMENT**

Section 103-10 HRS, provides that the State shall have thirty (30) calendar days after receipt or invoice or satisfactory completion of services to make payment. For this reason, HSPLS will reject any bid submitted with a condition requiring payment within a shorter period. Further, HSPLS will reject any bid submitted with a condition requiring interest payments greater than that allowed by section 103-10, HRS, as amended.

Pursuant to Section 103-10 of the Hawaii Revised Statutes, the interest rate for obligations related to goods delivered or services performed that are unpaid after 30 days is equal to the prime rate for each calendar quarter plus two percent. The interest rate is adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month proceeding the calendar quarter. The interest rate for the quarter beginning April 1, 2016 and ending June 30, 2016 is 5.50% per annum.

## **LIABILITY INSURANCE**

The Contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance to protect the Contractor and his subcontractors, if any, from claims for damages for personal injury, accidental death and property

damage which may arise from operations under this contract, whether such operations be by himself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Contractor may require subcontractor to provide its own insurance, which meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Contractor's own policy or policies.

The Contractor, including its subcontractor(s) where appropriate, shall provide the following minimum insurance coverage(s) and limit(s).

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability	Be no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
Comprehensive Automobile Liability	Be no less than \$1,000,000 per accident

Each insurance policy required by this contract, including a subcontractor's policy, shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to Hawaii State Public Library System, Administrative Services Branch, 44 Merchant Street, Honolulu, Hawaii 96813."
2. "The Hawaii State Public Library System is added as an additional insured as respects to operations performed for HSPLS."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract.

Upon award of the contract, the Contractor agrees to deposit with HSPLS certificate(s) of insurance necessary to satisfy HSPLS that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) there for on deposit with HSPLS during the entire term of this contract, including those of its subcontractors(s), where appropriate. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling HSPLS to:

1. Provide an opportunity for the Contractor to cure the breach or end the default or;
2. Immediately terminate the contract.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.